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BC STATS
Service BC
Ministry of Labour and Citizens' Services

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 07-27* *July 6th, 2007*

- **BC's unemployment rate edges up to 4.4% in June**
- **Housing starts rise 8.8% in May; building permits jump 34.8%**
- **Room revenues up 3.1% in March with all regions posting gains**

Labour Force

- **British Columbia's unemployment rate edged up to 4.4% (*seasonally adjusted*) in June.** The modest increase in the jobless rate came as the number of jobs declined 0.1%, while the size of the labour force expanded at a similar rate (+0.1%). However, the province continued to have the second-lowest unemployment rate in the country, after Alberta (3.8%). With nearly a third of the Canadian work force located in the west, where labour market conditions have been particularly robust, the national jobless rate (6.1%) has been lower than in Ontario (6.5%), Quebec (6.9%) and all four Atlantic provinces in recent months. Saskatchewan's unemployment rate was also 4.4% in June, while Manitoba recorded a rate of 4.6%.

  Data Source: Statistics Canada

- **The number of people working in BC's goods-producing industries jumped 0.6% (*seasonally adjusted*) in June, as employment in manufacturing (+1.7%) picked up after two months of decline.** The number of jobs in the service sector shrank 0.4%, with most industries employing fewer workers than in May. The exceptions were retail & wholesale trade (+0.5%), accommodation & food services (+3.0%), health care (+3.2%) and public administration (+3.6%).

  The number of men with jobs was unchanged from May, but fewer women (-0.3%) were working in June. The youth unemployment rate increased to 8.0%, still low by historical standards, while the jobless rate for those aged 25 and over was unchanged at 3.7%.

  Data Source: Statistics Canada

- **Among the regions, jobless rates ranged from 2.6% (3-*month moving average, unadjusted*) in Northeast to 7.6% in North Coast/Nechako.** Jobless rates in other parts of the province ranged between 3.9% and 4.6%.

  Unemployment rates in the province's mid-size municipalities were also relatively low in June, ranging from an estimated 3.1% in Vernon to 5.5% in Nanaimo. Vancouver's unemployment rate was 4.4% in June, while the jobless rate in Victoria was just 3.1%.

  Data Source: Statistics Canada & BC Stats

Unemployment rates for Northeast and Vernon are BC Stats estimates, based on data supplied by Statistics Canada

The Economy

- **Housing starts in the province jumped 8.8% in May, more than recovering from a weak April (-2.7%).** Canadian housing starts showed a similar increase (+8.4%). New home building activity soared in Ontario (+20.3%), while Alberta (-8.7%) posted its second consecutive monthly drop off. Starts were equally volatile in the rest of the country, with big gains, and similarly big declines, seen in parts of Atlantic Canada and Manitoba. *Data Source: CMHC*

- **The value of building permits issued by BC municipalities jumped 34.8% (*seasonally adjusted*) in May.** The increase was due to planned activity in both the residential (+30.9%) and non-residential (+44.4%) sectors. Permits for institutional & government buildings nearly tripled (+197.0%), with a less substantial increase in the value of permits issued for commercial (+28.0%) projects and a decline in industrial buildings (-18.9%).

  Permits were up in each of the province's census metropolitan areas, with a 38.0% surge in the Vancouver area leading the trend. Both Kelowna (+28.7%) and Abbotsford (+22.8%) posted significant increases in planned spending, while the province's capital city (+15.0%)

Report The Greening of BC's Exports

Did you know...
22% of British Columbians feel they belong to their province above any other geographic region, while 37% indicate that they most closely belong to Canada. *Source: Ipsos Canada*

saw a slightly more modest climb. Vancouver accounted for more than sixty percent of the total value of building permits issued in May.

Canadian permits climbed 21.4%, as increased activity in the more populous provinces, such as Ontario (+7.4%), Quebec (+8.8%), BC and Alberta (+47.5%) was combined with strong growth in other parts of the country. Nova Scotia (-24.3%) was the only province to post a decline. The value of permits issued in Canada's non-residential sector surged 55.7%, fuelled mostly by a whopping 200.4% jump in Alberta. Meanwhile, permits for the nation's residential projects increased a comparatively modest 2.4%. *Data Source: Statistics Canada*

- **Compared to the same period last year, the value of building permits issued by BC municipalities was up 21.1% during the first five months of 2007.** Planned spending was up in most regions, with the exception of Kootenay (-9.9%), North Coast (-20.4%) and Northeast (-22.9%). In the rest of the province, increases in the value of permits ranged from 2.4% in Cariboo to 40.1% in Vancouver Island/Coast, where residential, industrial, institutional and commercial building permits were up significantly from last year.

Data Source: Statistics Canada & BC Stats

Tourism

- **Room revenues climbed 3.1% in March, recovering the ground lost in February (-3.0%) as all regions posted gains.** Northeast (+17.9%) led the province, largely due to an increase in room receipts at work camps that serve seasonal workers in the area. Nechako (+12.2%) and North Coast (+11.0%) also experienced double-digit growth. Mainland/Southwest (+2.3%) saw revenue trend up for the third straight month in March. Room receipts in Vancouver Island/Coast (+3.8%) and Thompson-Okanagan (+2.7%) did not advance enough to bounce back from declines in February. Cariboo (+1.0%) and Kootenay (+0.1%) also saw revenue increase moderately.

Data Source: BC Stats

Women's Shelters

- **Admissions of women and children to BC's shelters for abused women totalled about 18,600 between April 1, 2005 and March 31, 2006.** There were 107 such shelters in operation in the province in 2005/2006, with facility types ranging from emergency shelters to transition houses.

Since 1998, annual shelter admissions for women in Canada have been relatively unchanged, declining by about three percent. Transition homes are the most common type of facility sheltering abused women, however, a growing proportion of emergency shelters (those who offer mainly short term stays and crisis intervention) are cropping up. Between 1998 and 2006, the number of these emergency-type shelters more than doubled. In 2005/2006, women staying in rural shelters had access to fewer services than those in urban facilities and were also less likely to bring their children with them. Larger proportions of women in shelters on reserves were repeat clients. Annual operating costs for shelters across the country totalled approximately $317 million over the 2005/2006 fiscal year. *Data Source: SC Cat. # 85-002-XIE, Vol.27, no.4*

Television Broadcasting

- **Operating revenues from television broadcasting in Canada expanded 8.2% in 2006, reaching over $6.0 billion.** Pay-TV led the way in terms of growth, with revenues soaring 17.7% to exceed $482 million. Much of the recent expansion in this segment was due to the increasing popularity of pay-per-view television and video-on-demand. Meanwhile, conventional television broadcasters saw no growth (+0.0%), but still ranked first in terms of revenue ($2.2 billion). Specialty television continued to grow rapidly (+11.2%) with profits of over $2.0 billion last year. In terms of profitability, pay television is at the head of the pack, earning 25 cents of operating profit for every revenue dollar. The profit margin for the specialty segment was 22%, slightly lower than that earned in 2005. For conventional TV, the profit margin fell to four percent, the smallest seen over the last 30 years. *Data Source: Statistics Canada*

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Contact Dan Schrier
(250) 387-0376
Originally published in
Exports Issue 07-04

The Greening of BC's Exports

Environmental issues have been propelled to the top of the political agenda in recent years and while this has created angst among many businesses that see only the challenges that new environmental standards will bring, there are others that see the new focus on the environment as a potential opportunity. They recognize that new environmental standards will require new technology to handle issues such as waste management, environmental monitoring, recycling and so on. If BC companies can get in on the ground floor, they can get the jump on developing a global market for made-in-BC environmental products as well as services provided by BC companies.

There is already interest around the world in some of the environmental products that BC has to offer. For example, China has expressed interest in technologies being developed in British Columbia, particularly those related to the environment. They have offered some funding as well as personnel to facilitate trade in these technologies between China and British Columbia. China is particularly keen on fuel cell technology, an area in which BC is among the world leaders. While this technology has not had much commercial success to date, there is potential for it to take off soon. For example, several auto-makers are developing fuel cell-powered vehicles using technology developed in British Columbia.

The recent visit by California Governor Arnold Schwarzenegger highlighted other potential opportunities for British Columbia's environmental industries. California is a prime market for environmental technology and the Governor's commitment to these technologies, including plans to build refuelling stations for hydrogen-powered vehicles across the Pacific Northwest, could provide a substantial pay-off for BC companies.

The environmental sector is already a significant employer in the province. According to a report prepared a few years ago by GLOBE Foundation of Canada, there were over 800 firms in BC in 2000 that provided goods and services that dealt with environmental issues and those firms employed over 22,000 people and generated revenues of more than $1.8 billion.[1] Trade in these goods and services is expanding and the share of total exports and imports comprised of environmental products is increasing.

While data on trade in environmental services for British Columbia is not readily available, an estimate of trade in environmental goods can be calculated using customs based export and import data from Statistics Canada. The federal government has developed a definition of environmental goods using the Harmonized Commodity Description and Coding System (HS) for their submission to the World Trade Organization's Committee on Trade and Environment.[2] The goal of this committee was to reduce or eliminate tariff and non-tariff barriers to trade in environmental products.

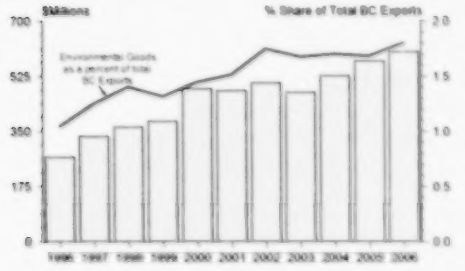
The trade statistics reported here are based on the definition submitted July 3, 2006, which was a revision of an earlier submission. As a note of caution, it should be mentioned that the definition is based on six-

[1] GLOBE Foundation of Canada, An Assessment of British Columbia's Environmental Business Sector, November 15, 2003
[2] World Trade Organization, Canada's Revised List of Environmental Goods, TN/TE/W/50/Rev. 1, July 4, 2006

digit codes in order to facilitate use among different nations, since HS coding schemes are the same up to six digits. However, at this level of aggregation, the code may capture more than just the environmental goods that we are interested in. Also, many of the products in the list may have alternate, non-environmental uses; therefore, the figures presented here likely overestimate actual trade in environmental goods. Nevertheless, it can be seen from the data that trade in environmental goods has been rising over the last decade.

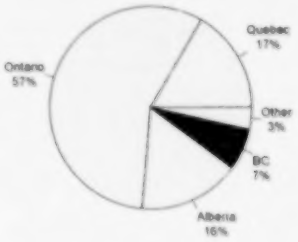
Between 1996 and 2006, the value of BC exports of environmental goods more than doubled, climbing from $268.8 million to $603.0 million. The share of total commodity exports is still small, at 1.8%, but this is up from only 1.0% in 1996. The main types of goods that BC exports are those related to waste water management, equipment associated with renewable energy, environmental monitoring equipment, and goods connected with air pollution control. Another potential growth area is with regard to clean technologies, particularly fuel cells.

Exports of made-in-BC environmental goods have been trending up over the last decade



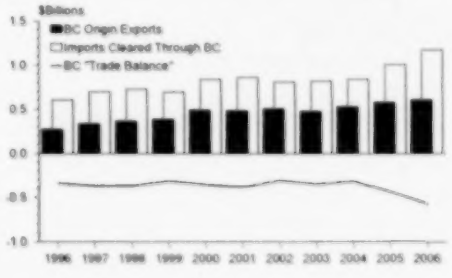
British Columbia's share of Canadian exports of environmental goods has remained fairly static over the last decade, generally between six and seven percent. However, given the types of technologies currently being developed in the province and the higher propensity of people in BC for accepting new technologies and for seeking environmental alternatives, British Columbia is poised to take a larger role in the environmental sector, including international trade in environmental goods. In his recent visit to BC, the California Governor suggested that both California and British Columbia are on the brink of a new "gold rush" as tough new environmental standards will create substantial economic opportunities for the two regions. If he is correct, BC's share of Canadian exports of environmental goods should expand significantly in the next several years.

British Columbia's share of Canada's environmental goods exports is relatively small



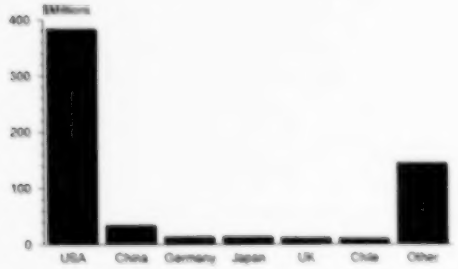
Currently, it appears that British Columbia imports more environmental goods than it exports. Although data on imports consumed in BC are not available, based on the value of imports cleared through BC's customs ports, it seems clear that BC has a deficit in trade of environmental goods with other countries.

BC appears to import more environmental goods than it exports



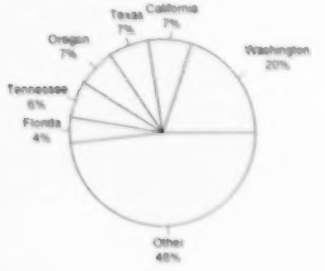
The large majority of BC's exports of environmental goods are destined for the United States. In 2006, almost 64% of all "green" goods exported from BC were shipped to the US, which is slightly higher than the proportion of total BC exports shipped to that country (61%). Mainland China was ranked second with just over 5% of BC's environmental commodity exports shipped there. Given China's eagerness to help BC companies further develop green technology, that figure could rise over the next several years.

As with total exports, the United States is the destination for most environmental goods exports



Within the United States, over half of BC's green exports were shipped to just six states in 2006. Neighbouring Washington State was by far the most significant destination for BC environmental products, taking in 20% of total exports to the United States. California, Texas and Oregon all imported about 7% of BC's environmental exports to the United States.

Over half of BC's exports of environmental goods to the US are destined for just six states



Environmental goods still make up a relatively small part of BC's exports, but there is great potential for growth. Demand from rapidly developing countries such as China and India will be one driver of expansion in this sector. The industrialization and urbanization occurring in these countries will create the need for air pollution control, wastewater treatment, solid waste disposal, and so on. In addition to the demand from developing nations, the effects of climate change and regulatory changes related to environmental measures designed to curb greenhouse gases and other potentially damaging pollutants will create economic opportunities for companies providing the necessary products and services. There is a lot of promise for British Columbia in areas such as alternative energy systems, which include fuel cell development, water and wastewater technologies, air quality controls and sustainable resource management. If BC companies are willing to take the initiative, technologies developed in BC could help make it a little easier being green and those companies should see a lot more green in the way of profits for their efforts.

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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Apr 1/07	% change on one year ago
BC	4,352.8	1.3
Canada	32,852.8	1.0
GDP and INCOME (Released Apr 25)		
(BC - at market prices)	2006	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	179,701	6.4
GDP *($ 1997 millions)*	150,741	3.6
GDP *($ 1997 per Capita)*	34,971	2.3
Personal Disposable Income *($ 1997 per Capita)*	21,984	4.8
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Apr	3,530	2.2
Merchandise Exports - Apr	3,010	5.5
Retail Sales - Apr	4,707	1.5
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - May 2007)	one year ago	% change
BC	1.7	1.8
Vancouver	2.0	2.2
Victoria	0.9	1.5
Canada	2.2	1.8
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jun '07	prev. month
Labour Force - BC	2,365	0.1
Employed - BC	2,260	-0.1
Unemployed - BC	105	5.9
		May '07
Unemployment Rate - BC *(percent)*	4.4	4.2
Unemployment Rate - Canada *(percent)*	6.1	6.1
INTEREST RATES (percent)	Jul 4/07	Jul 5/06
Prime Business Rate	6.00	6.00
Conventional Mortgages - 1 year	7.05	6.60
- 5 year	7.24	6.95
US/CANADA EXCHANGE RATE	Jul 4/07	Jul 5/06
(avg. noon spot rate) Cdn $	1.0570	1.1117
US $ *(reciprocal of the closing rate)*	0.9446	0.8999
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jun '07	one year ago
BC	740.27	2.4
Canada	749.92	3.2

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Regional Employment Projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia. The model projects employment at the Regional District level and then aggregates back up to the College Region for reporting purposes.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Socio-Economic Profiles & Indices

The 2006 edition of these widely-monitored reports provide the most complete and up-to-date basis for measuring and comparing the social and economic dimensions of regions in the province. Released April 4.

www.bcstats.gov.bc.ca/data/sep/index.asp

High Technology Sector—2006

The high technology sector is a growing part of British Columbia's diverse economy, offering the prospect of strong economic growth in the years to come, as well as a local source of technology inputs to the province's resource-based industries.

Our latest *Profile* and *Input Indicators* reports are now available.

www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

Released this week by BC STATS

- Immigration Highlights, First Quarter 2007
- Tourism Sector Monitor, June 2007
- Labour Force Statistics, June 2007
- Earnings & Employment Trends, June 2007

Next week

- Exports, May 2007

BC STATS, Ministry of Labour and Citizens' Services, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca